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CHAPTER 1

INTRODUCTION

1.1 BRAND
A Brand is something which identifies one seller from another seller available in the market. Brand can be any of the features which clearly identify itself from others, like name, term, design, and symbol. Earlier branding was done for differentiating one person’s cattle from another’s. A Brand is the most valuable asset for any company and it is a fixed asset of any company. Coca Cola brand belongs to Coca-Cola Company, Britannia is known for making biscuits, HUL, P&G and ITC for various items are some of the examples of brand.

Brands have been around for many years. They existed silently. Brands are universally acknowledged as drawers of financial performance of the company. The performance of any company depends on their branding. The stronger the brand the higher is the performance.

Brands are more than just signs, symbols and logos. They are promises that have to be met, they are values, and they are lifestyles. Brands have to live with the target audience; they have to be embedded into the lives of their consumers if they have to survive in the long run.

A brand is totally different from a product. According to Kotler (2000), a product is something that satisfies the need or want of consumers and it can be presented to a market for purchase, use or consumption. He went further to say that a product is made up of goods that have physical appearance, service, events, experiences, places, persons, organization, properties, information and ideas. According to DeChernatony and MacDonald (2003), a brand is beyond physical constituents and what it stands for, it has some additional attributes which although maybe intangible but are still important to consumers consideration. A brand has added value which differentiate it from a product [Doyle (2002), DeChernatony and MacDonald (2003), Jones and Slater (2003)].

According to Jones and Slater (2003) these added values are those that develop from experiences of the brand; they are those that arise as a result of usage of the brand; they are those that arise
from an assumption that the brand is powerful; and those that arise from the appearance of the brand i.e. packaging the product.
Figure 1.1 The Brand Illusion

Doyle (2002) said that these added values play a vital role in many consumers buying decisions, since brands are purchased from emotional motivation and also functional motivation. Many researchers have adopted this added value concept into their brand definition. The basic function of a brand is to serve as identifier of product and services so that it can be used as a differentiator for other products and services of the same class. Aaker (2000) said that brand knowledge is critical both the manufacturer and consumer. Schmitt (2001) said that a brand should not just be an identifier of, good image and names; but the delivered experience is also equally important. Schmitt (2001) recommends two critical ways to branding:

- We can view brand as an identifier where the logo, slogan, names forms a particular image and also create awareness for the consumer.
• We can view brand as an experience provider where the logo, slogan, names, event and contacts by consumer provides consumers affective, sensory, lifestyle and create relation with the brand.

Kotler and Armstrong (2004) also see brand to be beyond an identifier as it represents consumer’s sensitivity and emotional attachment to the product. Feldwick, (2002) says a brand is a distinguishable symbol of origin and an assurance of performance. A brand is a symbol of all facts associated with a product and service; and it also includes a logo, a name symbols and images. Brand consists of few sets of expectation which are related to a product or service and which normally arise in people’s mind.

No single measure is ideal, despite the large number of alternative proposed in the literature. There is no concession on the strengths or weakness of each. Simon and Sullivan (2002) claim that the best method for measuring brand equity depends on the objective market based data that gives room for comparison overtime and across firm. According to them, using preferences and consumers attitude is wrong as a result of their individual subjectivity. Farquhar 1989 and Criminis (2003) said that some marketers also concluded that while brands do add values to various components, it is the consumers who first determine brand equity.

Higher sales result for all products associated with that brand can be obtained by proper branding. If a customer trusts the brand and they likes Britannia biscuits, they may try other products offered by the same company.
In the consumer’s mind a brand is a modifier of the product. In one way looking at the brand is similar to looking at its elements. A brand has both product and perceptual components. The product component of a brand refers to the physical product.

The perceptual components of a brand are intangibles that are associated with the brand. Many brands portray their ‘typical user’ both demographically and psychographically. Raymond brand of suitings and shirting convey very distinct user imagery in their communications (‘The complete man’). Similarly, Elle 18’s brand is directed at young girls. Olay focuses on anti-ageing.

Brands also transform the user experience. Brands create satisfying emotional states. Maggi noodles portray the joy of giving. Johnson and Johnson brand is the epitome of ‘love and care’.

A product is a physical entity that lives in the real world. A brand is a perceptual entity that lives in the consumers mind. The brands are the drivers of competitive edge. The cigarette brand ‘Charms’ pack has a unique indigo blue print like faded jeans fabric. The package design was intended to strike a chord with young customer who identified with ‘freedom’ because jeans symbolised freedom.

What is Lux? It stands for beauty. Brands provide customers a compelling reason to buy and it comes in the form of benefits that are promised by the brand. For instance:

- Pepsodent offers unique benefit of ‘keeps working after brushing’
- Vatika hair oil provides benefits of hair protection against the dust and pollution
• Maggi Noodles offer a unique benefit a quick, tasty snack of homemade noodles.

1.2 BRANDS & PRODUCTS
Often, confusion exists around the concept of product and brand. Are the two same or different? If product is not the same as brand, then what distinguishes the product from the brand? The fundamental essence of this debate is to increase marketing effectiveness.

A product is something which can be offered to a market to satisfy a want or need. Marketed products include physical goods like salt and pepper, services like banking and insurance, experiences like theme park, events like shows and exhibitions, persons like political candidates or organisations like UNESCO. The concept of product is broad. It includes anything which is offered for the purposes of satisfying consumer needs or wants.

The concept of brand in its present form is recent. Creating a brand is the ultimate aim of marketing endeavour.

1.3 WHAT IS A BRAND AND WHAT IT DOES

- McDonald’s

Any outlet that displays this sign achieves two objectives immediately in the prospect’s mind:

• The prospect is easily able to identify that this outlet is McDonald’s Corporation. Hence he knows what to expect from this outlet.
• The brand differentiates. The prospect upon seeing the above sign, is able to differentiate this outlet from the others which also sell similar kind of products or services (it is not Wimpy’s).

A brand name is used by the marketers because of the roles it can perform. It identifies the product or service. This helps consumers to specify, reject or recommend brands. This is how brands become part and parcel of a consumer’s life. Secondly brands help in communication. For instance, the brand ‘Fair and Lovely’ communicates what the product does. Similarly a brand like Johnson and Johnson is a symbolic of motherly love. Finally a brand becomes an asset or property which only the owner has the right to use. The brand property is legally protected.

1.4 BRAND PERSPECTIVE

A brand must make the product relevant and meaningful for the target customers. It must enhance the product over and above the basic generic level. Branding gives customers reasons to buy and use the product. The customer’s choice behaviour is influenced by five types of values which they tend to satisfy. First, the financial value. It is the physical or functional performance
of the product or service. Second, social value means the satisfaction that the consumer seeks by association with certain social groups within society. Third, emotional value means the ability of the product or service to satisfy the customer by giving rise to feelings like joy, love, respect etc. Fourth, epistemic value means the need to know or learn something new. Finally, situational value refers to the ability of the product to satisfy situational needs.

An unbranded product is a commodity. Commodities do not have identities. Take, for example, tea, coffee, sugar or mustard oil. When a consumer thinks of a commodity, his thinking tends to be dominated by ‘thingness’. Her thoughts are focussed on the physical product’s attributes and benefits. For instance when one confronts a bag of sugar, one’s mind is filled with the thought of sugar granules, the extent of whiteness, the sugar content and various applications of the sugar.

The symbolic aspect of the brand exists in the perceptual space of the consumer. What happens when we think of, not just coffee but of Nescafe? And image immediately arises in our minds, conjured up by the brand’s symbolism. “Advertising is the vehicle that allows us to access the consumer’s mind, to create a perceptual inventory of imagery, symbol, feelings that come to define the perceptual entity we call as brand”. Coke is carbonated water at the physical level. But at the brand level it is a symbol of everything America stands for, what America is all about. Rolex is not a watch to its owner. The brand is all about user image, prestige and luxury. It is not a time keeping device. It is a device to separate people into Rolex users – a distinct category and others.

1.5 BRAND PERSPECTIVES: THE SIX POSSIBILITIES

- Visual / Verbal Perspective

In this perspective the focus is on the logo, trademark or packaging design. Some brands are easily identifiable by their symbols: Three pointer star (Mercedes), Cowboy (Marlboro), ‘K’ yellow sign (Kodak), Golden Arches (McDonalds’s) suggest the brand identity in an instant. A bitten apple is the visual sign of Apple Computers.

Symbol enhances brand recognition and brand recall, while visual images leave imprints in the visual memory of the prospects, even at the pre-processing level.

- Positioning Perspective

Positioning is creating a unique position in the prospects mind. The brand sets it apart from the host of the players in the category. It must have a particular position in the consumer’s mind. The
positioning must achieve valued-differentiation in the prospect’s mind. For instance, in the soaps category ‘Liril’ is positions as a ‘freshness’ soap whereas ‘Dove’ positions itself as ‘not a soap, but one-quarter moisturising cream’. ‘Burnol’ is well entrenched as the ‘cream for burns’ and Dettol owns the ‘antiseptic’ position in the prospect’s mind.

- **Value Perspectives**

  The value perspective sees brand as a three-tiered value system. The product is extended by adding values around it. There are three tiers of values that a brand offers: functional, expressive and central values. The functional values refer to performance aspects of the brand. The expressive values reflect the customer side of brand. But it is central values which are the most enduring and go right to the core of the consumer’s system of belief’s.

- **Brand Image Perspective**

  Brands are represented in the consumer’s mind through images which are the image of the world that mediates between the consumer and the external real world. A brand is not what it actually is rather what it is perceived as. Hence, image building is a crucial task for marketers.

- **Added Value Perspective**

  This perspective’s thrust is on the value added by the brand in making the product more satisfying.

- **Perceptual Appeal Perspective**

  This perspective views a brand from the standpoint of the appeal it makes to prospects. A brand may be rational, sensory, emotional or a combination thereof depending upon the product category and target customers.

  This approach views the buyers from the consumer behaviour perspective.

- **Personality Perspective**

  The personality perspective of an individual is likely to influence his product and brand choices. Consumer perceives personality traits in brands. The brands may be perceived as “masculine”, “sophisticated”, “dependable” or “friendly”. It is visualisation of brand as a person.

### 1.6 BRANDING STRATEGY

Over a period of time the customer centric actions has created the differentiation in the marketplace and build an emotional connection with the customers which helps to build a strong brand name and it puts their customers and their needs at the center of every decision the
organization makes. With the understanding the brand from the customers point of view the
process of managing brand as assets begins. The image, reputation, and perception of each
customer and stake holder can be capitalized or corrected.
The company’s decision and its financial performance is required for a considerable effort to
manage brand as an assets and to measure and quantify the impact of the brand on customer. For
creating value for the customers by building its brands strength and addressing its weakness
brand strategy is the plan for the company. Brand strategies manifest many components of the
brand experience and also product innovation, graphic design, store layout, customer service.
Apart from this it also provides the foundation for development of brand building program and
also includes brand objective, consistent brand name and identity systems, target audience and
positioning, key communication messages and prioritization of brand touch points.